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# Unemployment rate rises to 3.7 per cent in July

Media Release

Released 17/08/2023

**i** Source: [Labour Force, Australia, July 2023](#)

The unemployment rate increased by 0.2 percentage points to 3.7 per cent in July (seasonally adjusted), according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics, said: "with employment dropping by around 15,000 people and the number of unemployed increasing by 36,000 people, the unemployment rate rose to 3.7 per cent.

"The fall in employment follows an average monthly increase of around 42,000 people during the first half of this year. Employment is still around 387,000 people higher than last July.

"July includes the school holidays, and we continue to see some changes around when people take their leave and start or leave a job. It's important to consider this when looking at month-to-month changes, compared with the usual seasonal pattern. The only other fall in employment in 2023 was in April, which also included school holidays.

"While unemployment increased by 36,000 people in July, to 541,000, it was still around 172,000 lower than before the pandemic."

The employment-to-population ratio fell 0.2 percentage points to 64.3 per cent. The participation rate also decreased 0.1 percentage point to 66.7 per cent.

"Despite these falls, both indicators were still well above pre-pandemic levels and close to their historical highs in May," Mr Jarvis said.

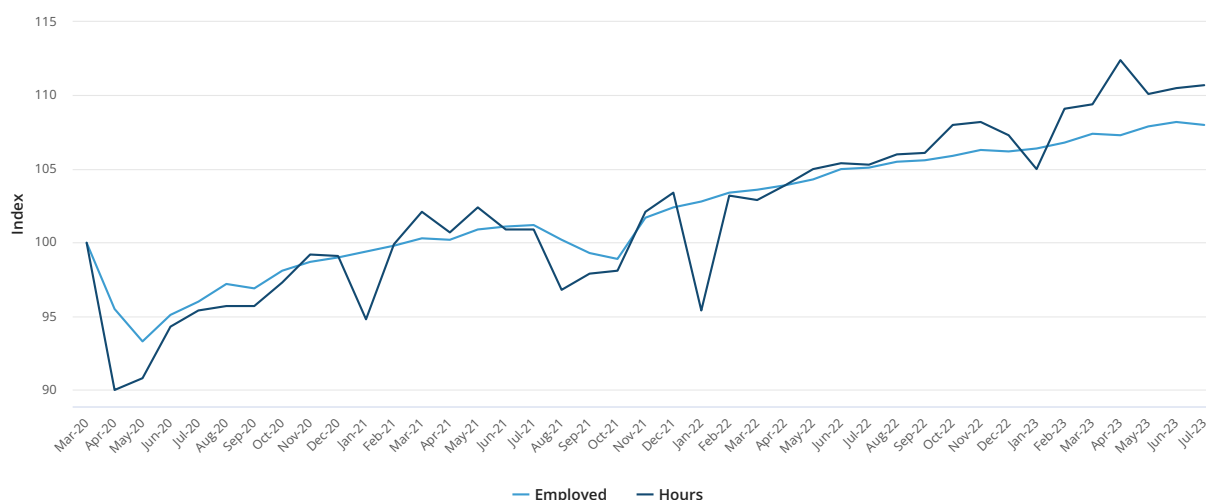
**Employment and hours worked**

Monthly hours worked increased 0.2 per cent in July 2023, while employment decreased 0.1 per cent. Some of the increase in hours worked reflected fewer people than usual taking leave during the school holidays.

“The strength in hours worked shows that it continues to be a tight labour market. Hours worked were 5.2 per cent higher than in July 2022, well above the 2.8 per cent annual increase in employment.

“The strength in hours worked over the past year, relative to employment growth, shows the demand for labour is continuing to be met, to some extent, by people working more hours,” Mr Jarvis said.

## Seasonally adjusted employment and hours worked, indexed to March 2020



Source: Labour Force, Australia, Tables 1 and 19

“Consistent with the growth in hours worked, there were 386,000 more full-time workers than in July 2022. In contrast, part-time employment only increased by 1,000 people,” Mr Jarvis said.

## **Underemployment and underutilisation**

The underemployment rate remained at 6.4 per cent in July, around 2.4 percentage points lower than before the pandemic.

The underutilisation rate, which combines the unemployment and underemployment rates, rose 0.2 percentage points to 10.1 per cent. This was 3.9 percentage points lower than March 2020.

## **Underlying trend data**

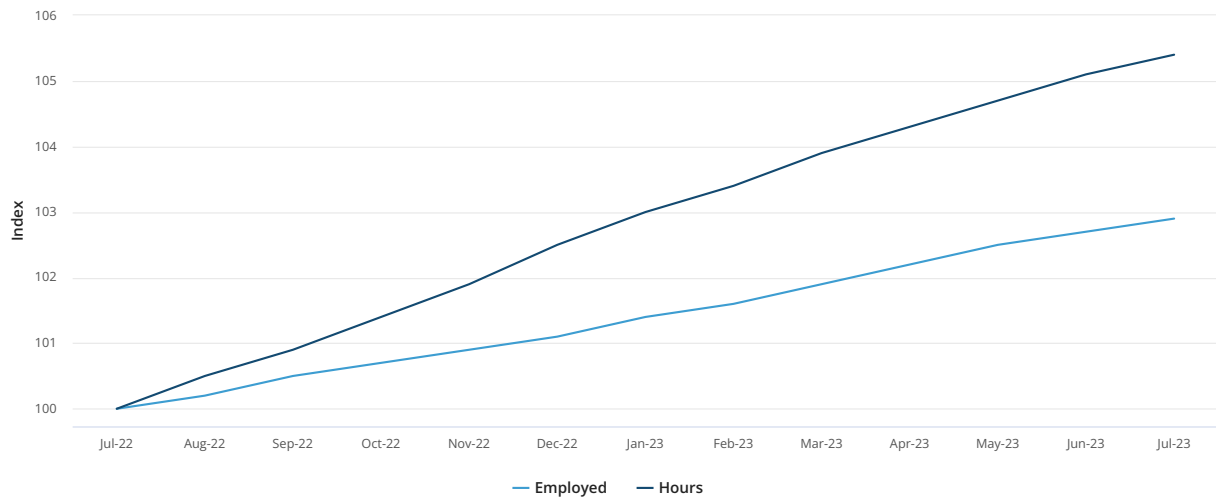
The trend unemployment rate remains at 3.6 per cent, in line with the updated figure for June.

Employment grew by 27,000 (0.2 per cent) and hours worked increased 0.3 per cent in July.

The employment-to-population ratio remains high at 64.4 per cent, in line with the updated figure for June.

"Hours worked has consistently grown faster than employment over the past 12 months," Mr Jarvis said.

## Trend employment and hours worked, indexed to July 2022



Source: Labour Force, Australia, Tables 1 and 19

The participation rate remains high at 66.8 per cent.

The underemployment rate remains at 6.4 per cent.

"In trend terms, all key indicators still point to a tight labour market," Mr Jarvis said.

Further information, including regional labour market information, will be available in the upcoming July 2023 issue of Labour Force, Australia, Detailed, due for release on Thursday 24 August 2023.

The ABS would like to thank Australians for their continued support in responding to our surveys.

## Media notes

- The July survey reference period was from 2 July to 15 July 2023.

- The August survey reference period is from 30 July to 12 August 2023.
- The ABS is developing improved monthly regional labour market statistics. More information on this, including new illustrative estimates and methodology, can be found in the [Information Paper \(/statistics/detailed-methodology-information/information-papers/improving-sa4-level-estimates-labour-force-survey-using-administrative-data-models\)](/statistics/detailed-methodology-information/information-papers/improving-sa4-level-estimates-labour-force-survey-using-administrative-data-models) that was released on 27 June 2023.
- To learn more about our different labour measures, their purpose and how to use them, see our [Guide to labour statistics \(/statistics/understanding-statistics/guide-labour-statistics\)](/statistics/understanding-statistics/guide-labour-statistics). It provides summary information on labour market topics including [Industry employment \(/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide\)](/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide) data.
- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
- Access official, high-resolution images of Bjorn Jarvis and other ABS media spokespeople from our new [image library \(/media-centre/abs-image-library\)](/media-centre/abs-image-library).
- For media requests and interviews, contact the ABS Media Team via [media@abs.gov.au \(media@abs.gov.au\)](mailto:media@abs.gov.au) (8.30am-5pm Mon-Fri).
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